

Message Text

LIMITED OFFICIAL USE

PAGE 01 DACCA 00675 061025Z

42

ACTION NEA-10

INFO OCT-01 ISO-00 AGR-05 EB-07 COME-00 TRSE-00 OMB-01

AID-05 IGA-02 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01

USIA-06 PRS-01 SP-02 IO-11 /059 W

----- 083534

R 060950Z FEB 76

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 9641

LIMITED OFFICIAL USE DACCA 0675

EO 11652: N/A

TAGS: EAGR, EAID, EFIN, BG

SUBJ: FURTHER INCREASES IN RATION PRICES

REF: DACCA 6278

1. THE MINISTRY OF FOOD ISSUED A PRESS NOTE ON FEBRUARY 4 ANNOUNCING A FURTHER INCREASE IN THE RATION SHOP PRICE OF RICE, WHEAT, EDIBLE OIL AND BUTTER OIL. THE NEW PRICES ARE EFFECTIVE FEBRUARY 7. THE PRICES IN TAKAS ARE:

PRECEDING DEC. 20 DEC. 20 FEB. 7 PERCENT INCREASE

RICE 60/MAUND 70/MAUND 90/MAUND 50

WHEAT 50/MAUND 55/MAUND 70/MAUND 40

EDIBLE OIL 8/SEER 8/SEER 12/SEER 50

BUTTER OIL 16/SEER 16/SEER 20/SEER 25

ONE MAUND IS EQUAL TO APPROXIMATELY 83 POUNDS; ONE SEER IS EQUAL TO APPROXIMATELY 2.1 POUNDS.

2. CONVERTED TO DOLLARS PER METRIC TON THE RATION PRICES

VERSUS WORLD MARKET PRICE ARE:

RATION PRICE WORLD PRICE (F.O.B.)

RICE \$166 \$319

WHEAT \$129 \$135

THE PRESS NOTE INCLUDED BDG ESTIMATES OF THE SUBSIDY AFTER THE NEW PRICES ARE EFFECTIVE. CONVERTED TO DOLLARS PER METRIC TON THE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DACCA 00675 061025Z

SUBSIDY BURDENS ARE:

BDG ESTIMATE MISSION ESTIMATE

RICE \$128 \$153

WHEAT \$ 46 \$ 6

MISSION ESTIMATE DOES NOT INCLUDE FREIGHT TO BANGLADESH.

3. COMMENT. WITH THIS INCREASE BDG HAS MADE GOOD ON ITS COMMITMENT TO THE IMF AND OTHER DONORS TO SUBSTANTIALLY DECREASE SUBSIDY ON RATIONED FOOD. THE BDG IS TO BE COMMENDED FOR MAKING THIS POLITICALLY DIFFICULT DECISION. HOWEVER, BY THE BDG'S OWN ESTIMATE A SUBSTANTIAL SUBSIDY BURDEN REMAINS AND THE NEW PRICES ARE NOT SUFFICIENTLY HIGH TO PROVIDE INCENTIVES TO FARMERS. THE CURRENT OPEN MARKET PRICE FOR RICE INDEPENDENCE LOW.

4. WE CAN EXPECT NO MORE FROM THE BDG THIS FISCAL YEAR BUT MISSION RECOMMENDS THAT FOOD SUBSIDIES SHOULD CONTINUE TO BE MAJOR ITEM OF INTEREST TO ALL DONORS INCLUDING US.

BOSTER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUBSIDIES, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976DACCA00675
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760046-0118
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760275/aaaacodt.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 DACCA 6278
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 07 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JUN 2004 by GarlanWA>; APPROVED <30 JUN 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FURTHER INCREASES IN RATION PRICES
TAGS: EAGR, EAID, EFIN, BG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006